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SUBJECT: MEDIA REACTION: MIDDLE EAST: ISRAELI BOMBINGS IN QANA; DOHA
ROUND, USTR SCHWAB IN BRAZIL; SAO PAULO

1. "The Tragedy Everyone Feared"

The lead editorial in center-right O Estado de S. Paulo (8/1) maintained: "A single attack against a building in Qana, where local residents were looking for shelter, caused more casualties than all the rockets launched against Israel since the beginning of this new conflict between Israelis and Arabs. The weapons that killed 60 Lebanese, among which 37 children, hidden in a cellar, created for Israel its third defeat in its attempt to eradicate Hizbollah from the South of Lebanon. The first defeat is military.... With its guerrilla tactics, Hizbollah has proven to be capable of resisting longer than Israeli strategists supposed.... The second defeat is political. Israel has succeeded in uniting around Hizbollah the radical Shiite movement and all ethnic and religious factions in Lebanon.... Hizbollah has now been hailed in the Islamic world as the unquestionable champion of the Palestine cause.... Israel's third defeat is naturally moral. Its indifference vis-à-vis the Lebanese suffering destroyed the legitimacy that the Jewish state had invoked to retaliate Hizbollah in the condition of attacked nation. Not even the imperative of self defense justifies what many are considering a war crime. But the US image has been - once again - harmed even more than that of Israel. Washington's behavior has been simply pathetic.... There will be no 'sustainable' ceasefire as long as the world's superpower behaves exclusively as an unconditional Israeli ally."

2. "Three Weeks Of Destruction, Panic And Death In Lebanon"

Business-oriented Valor Economico (8/1) editorialized: "For three weeks Israel has spread panic, destruction and death in Lebanon, and there is no evidence of a ceasefire in sight.... To reach a 'sustainable' peace agreement, Secretary of State Condoleezza Rice is pursuing through peaceful means what Israel looks for through military means. Chances of both initiatives to be successful are slight, if not nil.... The image in the Arab world that Israel obtained from the US a green light to attack Lebanon has been consolidated and, as result of this, the actions of the Shiite terrorist group gained a political and popular support it did not enjoy in the beginning of the crisis.... The tragedy in Qana, where more than 50 civilians died, undermined significantly the chances of further negotiations. There is no chance for peace without an immediate ceasefire.... It has become obvious that Bush's goal of sweeping by military means both Hamas and Hizbollah from the political and military map of the region is a blind alley in which defenseless civilian Lebanese are cornered. The Bush administration chose the unilateral way of confrontation without previous consultations or negotiation.... The US will hardly change its

strategy now, but an immediate ceasefire is plausible and has become urgent due to humanitarian reasons."

¶3. "Risks Of A World Without Doha"

Center-right O Estado de S. Paulo commented (8/1) "Those who believe in the reactivation of the Doha Round do not have time to lose.... It will be necessary to conclude the task before July 2007, when the US President's negotiating mandate expires... If the opportunity is lost, no one can predict when the president will obtain another congressional authorization, or when the global discussion on trade can be resumed. USTR Susan Schwab met in Rio de Janeiro with Foreign Minister Celso Amorim and found, as it was expected, good will for another attempt. The GOB has only one really important objective in its agenda: the success of global negotiations.... Brazil may try to convince India to agree with opening its larger market to agricultural imports.... Amorim and Schwab reaffirmed in Rio their commitment to work for an ambitious agreement."

¶4. "To Gain Markets"

Steel industry tycoon Benjamin Steinbruch remarked in liberal, largest national circulation daily Folha de S. Paulo (8/1): "The Doha Round negotiations failed exactly because the rich nations, especially those of the European Union and the US, resisted the idea of drastically reducing their subsidies.... It is deplorable that the negotiations have failed. World Bank studies estimate that the world economy could gain USD 260 billion annually as a result of cuts in subsidies and tariffs.... For Brazil, a global agreement would be a good solution, although there were significant risks involved. A cut in import tariffs as the Americans and Europeans wanted could cause an invasion of industrialized products, especially from China."
McMullen